

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:2377
ANSWERED ON:30.07.2002
PRICES INCREASE OF DRUGS
MADAN PRASAD JAISWAL

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

e:

- (a) the percentage of increase in the prices of drugs during the last three years alongwith the reasons therefor ;
- (b) whether prices of the drugs have been increased manifold during the last three years ; and
- (c) if so, the facts and the reaction of the Government thereto ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS(SHRI TAPAN SIKDAR)

(a) to (c) An analysis of data for the period December 1998 to December 2001 of ORG-MARG which publishes monthly reports of Retail Store Audit-Market for Pharmaceutical Products in India has revealed the following position with respect to prices of medicines which had a minimum annual sale value of Rs. 1.00 Crore as on December 2001.

- i) There was an increase in prices upto 20% in respect of 1133 medicines (45% of 2557).
- ii) There was an increase in prices between 20% to 50% in case of 608 medicines (24% of 2557).
- iii) There was an increase in prices between 50% to 100% in case of 140 medicines (5% of 2557).
- iv) There was an increase in prices above 100% in case of 38 medicines (1% of 2557).
- v) There was a decline in prices of 357 medicines (14% of 2557).
- vi) There was no change in prices in respect of 281 medicines (11% of 2557).

National Pharmaceutical Pricing Authority fixes / revises the prices of Scheduled formulations as per the provisions of the Drugs (Prices Control) Order '1995. In case of non-Scheduled formulations, the manufacturers fix their own prices. In general, such prices are fixed / revised based on various factors like the costs of production, marketing, R&D, product innovation, trade commission, transport / distribution and prevailing market competition etc.

In a changing economy, revision of prices of medicines as in other commodities is a normal feature. While the prices of some medicines increase, those of some others decrease also. The Government/National Pharmaceutical Pricing Authority regularly monitors the movement of prices of medicines of mass consumption marketed in trade channel and action is taken whenever instances of unreasonable increase in prices, affecting public interest adversely, are noticed.